



Title: Title I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 04-3, Rhode Island State Income Tax Withholding

Date: March 4, 2004

To: Holders of TAXES (State of Rhode Island only)
Personnel User Groups
T&A Contact Points in Rhode Island

Beginning with wages paid for Pay Period 04, the National Finance Center (NFC) will make the following changes to the state of Rhode Island income tax withholdings:

- The exemption allowance will increase from \$3,050 to \$3,100.
- The Single and Married withholding tables will change.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to the NFC home page (www.nfc.usda.gov) and click **Pubs & Forms**. Then on the Pubs & Forms page left-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by “►◄”.

For questions about NFC processing, contact the Payroll Operations Branch at **504-255-4630**. Please refer questions about system access and other system-related issues to Customer Support at **504-255-5230** or via e-mail at customer.support@usda.gov. Refer questions about this bulletin to **504-255-5322** or via e-mail to nfc.pvct@usda.gov.

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Rhode Island State Income Tax Information

State Abbreviation: RI
State Tax Withholding State Code: 44
Acceptable Exemption Form: None
Basis For Withholding: Federal Exemptions
Acceptable Exemption Data: None
TSP Deferred: Yes
Special Coding: None
Additional Information: A state tax certificate is not required since Federal exemptions are used in the computation of the state formula.

Withholding Formula ►(Effective Pay Period 04, 2004)◄

1. Subtract the biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment from the adjusted gross biweekly wages.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages by 26 to obtain the annual wages.
5. Determine the exemption allowance by applying the following guideline and subtract this amount from the annual wages to compute taxable income:

$$\text{Exemption Allowance} = \text{►\$3,100◄} \times \text{Number of Exemptions}$$

6. Apply the taxable income computed in step 5 to the following table to determine the annual Rhode Island tax withholding:

Tax Withholding Table Single

If the Amount of Taxable Income Is:		The Amount of Rhode Island Tax Withholding Should Be:			Of Excess Over:
Over:	But Not Over:				
\$ ►0	\$ 2,650	\$ 0.00	plus	0.00%	\$ 0
2,650	30,800	0.00	plus	3.75%	2,650
30,800	68,500	1,055.63	plus	7.00%	30,800
68,500	148,700	3,694.63	plus	7.75%	68,500
148,700	321,200	9,910.13	plus	9.00%	148,700
321,200	and over	25,435.13	plus	9.90%	321,200 ◄

If the Amount of Taxable Income Is:		Married The Amount of Rhode Island Tax Withholding Should Be:				Of Excess Over:
Over:	But Not Over:					
\$ 0	\$ 6,450	\$ 0.00	plus	0.00%		\$ 0
6,450	53,550	0.00	plus	3.75%		6,450
53,550	113,950	1,766.25	plus	7.00%		53,550
113,950	183,700	5,994.25	plus	7.75%		113,950
183,700	324,050	11,399.88	plus	9.00%		183,700
324,050	and over	24,031.38	plus	9.90%		324,050

7. Divide the annual tax withholding by 26 to obtain the biweekly Rhode Island tax withholding.